BANK OF SPAIN

(Banco de Espana)

---CONFIDENTIAL---

1925-1928

#650

TRANSFER FILE

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TRANSFER FILE

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51.

AMERICAN CONSULATE

MADRID, SPAIN. February 5, 1925.

Subject: OPPORTUNITY TO SELL PAPER MONEY TO THE BANK OF SPAIN.

Bank of Spain

The Honorable
The Secretary of State,
Washington.

Sir:

I have the honor to inform the Department that an epidemic of falsification of Spanish bank notes of 500 and 1,000 pesetas denominations has led the Bank of Spain to release into circulation the new issues of notes of these denominations which it has been holding in its vaults from 1907 against such an emergency.

The release of these notes necessitates another series, as it is the policy of the Bank always to have in reserve banknotes of distinct character from those in circulation, for substitution when falsifications become serious.

On receipt of the news that the 1907 series had been issued, I called upon Sr. Sedano, manager of the mint, and learned from him that the Bank of Spain was about to ask quotations on bank-notes from Bradbury, Wilkinson and Company, of London, who printed the notes just issued, from Delarue,

and

161879

and from the Waterloo Company, all in London.

Sr. Sedano, who has visited the plant of the American Bank Note Company, states that he personally prefers that company's paper money to all others, and he hopes that an American offer can be made quickly to the Governor of the Bank of Spain.

The matter of cost, according to Sr. Sedano, is unimportant. What the Government wants is the paper most proof against falsification, and this, he says, he believes is made by the American Bank Note Company, although others in the Consejo of the Bank of Spain are not of his opinion.

The amount expended in purchase of paper money of all denominations annually by Spain, is variable, but is about Ptas. 1,000,000 yearly, which seems a contract worth trying for.

It is respectfully requested that this opportunity be placed as soon as possible before the American Bank Note Company, and other similar companies, in the discretion of the Department, with the suggestion that they cable at once to:-

Governor of the Bank of Spain,
Madrid.

If any of the companies manufacturing paper money have a representative in Paris, or other nearby city, it would seem worth while for him

to

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to Madrid, personally to present his company's qualifications to perform the service of making Spanish money safe.

I have the honor to be, Sir,

Your obedient Servant,

AUGUSTIN WM. FERRIN
American Consul.

AWF:F
File No. 851.5
Enclosure: Reproduction of new issues.

D 5439

AMERICAN BANK NOTE COMPANY.

New York

SUBJECT SPAIN

C. P. P.
APR 6 1925

TO NEW YORK FROM WASHINGTON DATE March 28,1925.

[illegible]
Copy sent D.E.H.
To [illegible]
London

UNITED STATES
DEPARTMENT OF COMMERCE
Bureau of Foreign and Domestic Commerce

Office of Commercial Attache
American Embassy
Madrid, Spain

Chas. H. Cunningham,
Commercial Attache.

March 10th, 1925.

Director,
Bureau of Foreign and Domestic Commerce,
Washington, D. C.

Subject: Withdrawal of Competition from American Bank Note Co.
(Supplementary to Weekly Report of March 10th)

Sir:

Reference is made to my various cables and letters and weekly reports on the subject of our efforts to assist Mr. W. A. Courtney, representative of the American Bank Note Company, who came from Paris to secure some of the business of manufacturing notes for the Bank of Spain.

Mr. Courtney came in this week to say goodbye almost with tears in his eyes, and he and I wept together, metaphorically speaking, over the resolutions of the American Bank Note Company to withdraw from competition in this business as we had almost been informed by the Sub-Governor of the Bank of Spain that the business was ours.

Mr. Courtney received a telegram from Paris stating that the American Bank Note Company had decided to withdraw him. This decision was undoubtedly arrived at because of the agreement between the American company and Bradbury and Wilkinson that the former is not to compete in sales where the latter is already operating successfully except when invited to do so by the Government. Bradbury and Wilkinson have been making the Spanish notes for a number of years, but it appears that the whole paper money system of Spain has been thoroughly counterfeited. This fact may discredit Bradbury and Wilkinson so extensively that they may lose future orders. If this is the case the withdrawal of the American Bank Note Company will throw the business to Waterlow whose agent is here working assiduously to accomplish this result. This agent circulated considerable information about the Government offices to the effect that the competition of the American Bank Note Company was really faked and only a blind to deceive the Spanish authorities and throw the business to Bradbury and Wilkinson.

D 5439

AMERICAN BANK NOTE COMPANY.

SUBJECT SPAIN Sheet 2.

New York

TO NEW YORK FROM WASHINGTON DATE March 28, 1925

Of course this all comes back to the first telegram received by the Bureau through the State Department, not sent by this office, but referred to in the Bureau's telegram to me, No. 35, stating that the American company had been invited to participate in this business. This invitation would have allowed the American Bank Note Company to participate in view of its contract with Bradbury and Wilkinson, but Mr. Courtney got here and ascertained the real state of affairs, and evidently the American Bank Note Company could not participate in view of its agreement.

We regret very much to lose this business when it was almost in our grasp. I believe that ultimately the whole Spanish banknote system will have to be made over, and I am afraid that the action of the American Bank Note Company in sending a man here and permitting him to be introduced to the officials of the Bank of Spain, and having him leave under the circumstances, will hurt the chances of the American company to secure any future business, especially as long as Waterlow's man remains on the ground to interpret this action as a confirmation of his statements to the effect that an understanding exists between the American Bank Note Company and Bradbury and Wilkinson.

Respectfully,

(signed) Chas. H. Cunningham,
Commercial Attache.

Wash. Office copy destroyed
Dec 1930

O. P. P.
APR 6 1925

March 30, 1925

Mr. J. H. Bagley, Vice President,
American Bank Note Company,
Washington, D.C.

Dear Sir:-

I beg to acknowledge receipt of your letter of March 28th addressed to Miss O'Grady, enclosing copy of letter from Mr. Chas. H. Cunningham, Commercial Attache. As requested I have forwarded a copy to Mr. Woodhull.

For your information I would advise that we received a cable from Mr. Hendriks that he had been successful with the Banco de Espana.

We thank you for this information.

Yours very truly,

First Vice President.

ACC.B.

J.H.B. letter not rec'd for filing

Wash. Office copy
destroyed Dec 1932

AMERICAN BANK NOTE COMPANY.

O. P. APR 28 1925

4/1/25

New York

SUBJECT SPAIN

TO NEW YORK FROM WASHINGTON **DATE** April 1, 1925.

Excerpt from CONFIDENTIAL letter of Charles H. Cunningham, Madrid, March 12,1925.

--- Referring to the matter of the bank notes recently required by the Bank of Spain, an erroneous report was sent in by a near-by Consulate stating that the Spanish Government had invited American firms to participate in this business which brought a representative down here from Paris costing the American Bank Note Company several hundred dollars. This office, on the other hand, had not thought this matter worth reporting because we knew that private negotiations had been going on with British companies which had contracts for years back for the supply of bank notes in Spain. At the Bureau's cabled request we telegraphed back an accurate version of the matter which arrived in the United States too late to prevent the American Bank Note Company from sending its man to Madrid. When this representative arrived at noon, we had already arranged for an interview with the Governor of the Bank of Spain at 4 P. M. the same day. The representative of the American Bank Note Company made such a fine impression that he had the business for his company practically in hand when the home company ordered him away because his solicitation of this business was an open violation of the contract between the American Bank Note Company and the British company which has been doing this business for years, all hinging on the question of whether the Spaniards had or had not invited American companies to participate. There is such a thing as "beating the gun" on trade promotion.-----

Wash. Office copy destroyed
Dec 1932

APR 28 1925

April 15, 1925

Mr. Joseph H. Bagley, Vice President,
American Bank Note Company,
Washington, D. C.

Dear Joe:-

I have been delinquent in acknowledging your letter of April 1st with abstract of letter from your friend Mr. Cunningham. It is most interesting and very cleverly put. I thank you for the information.

Yours very truly,

First Vice President.

B

from WASHINGTON OFFICE files -
Dec.1932

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UNITED STATES
DEPARTMENT OF COMMERCE
BUREAU OF FOREIGN AND DOMESTIC COMMERCE

121 P

Spain

OFFICE OF COMMERCIAL ATTACHÉ
AMERICAN EMBASSY
MADRID, SPAIN

Chas. H. Cunningham,
Commercial Attache.

MAY 5 1925

April 17, 1925.

PERSONAL AND CONFIDENTIAL

Dr. Julius Klein,
Director, Bureau Foreign and Domestic Commerce,
Washington, D.C.

Subject: Spanish Bank Note Order.

My dear Klein:

In reference to your letter of March 12, I would say that you are correct in surmising that I was ill at the time that the original notice of the bank note business was sent, but, as I stated in my letter of March 10, I probably would not have sent the cable at all because I knew in advance of the arrangement which exists between Bradbury and Wilkinson and the American Bank Note Company, keeping the latter out of the field. Furthermore, I knew that this business was not open to active competition except between firms already negotiating with or in touch with the Bank of Spain. For that reason the Bank of Spain did not invite bids on this business, nor did it announce that it wanted the participation of the American Bank Note Corporation or any other American company. Of course I cannot be responsible for any telegrams that the Consuls may send, but I believe that you can quite generally depend on it that we are on the job here all the time, and that if any worthwhile business transpires we will have the information in Washington as quickly as it can be sent there. Frequently, as in the case of the wheat importations, we get the right news to Washington before it is published here.

As I wrote you before, the American Bank Note Company recalled their man from Spain on account of the agreement with Bradbury and Wilkinson, after he had practically secured the order.

Very cordially,

Chas H Cunningham
Chas. H. Cunningham,
Commercial Attache.

CHC:m

O. P. R.
DEC 12 1932

D 7711

AMERICAN BANK NOTE COMPANY.

D.E.W.
MAY -9 1928

New York

SUBJECT SPAIN

C.P.R.
NOV 27 1928
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To NEW YORK from WASHINGTON

Date May 8, 1928.

Attached are photostat copies of some information bearing on the establishment of a proposed Bank Note Plant in Spain.

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h T.O.

For. & Dom. Commerce

C.F.
27

AMERICAN CONSULATE GENERAL
Barcelona, Spain, March 28, 1928.

SUBJECT: Trade Opportunity of Hijos de
J. Thomas, S.A., of Barcelona.

THE HONORABLE
THE SECRETARY OF STATE,
WASHINGTON.

SPECIAL

SIR:

I have the honor to enclose herewith copy of Trade Opportunity No. 17, forwarded by this office January 28, 1928.

Yesterday this office received a visit from Mr. José Thomas, of Hijos de J. Thomas, S.A., stating that no replies whatsoever had been received by his concern as a result of the trade opportunity in question. As the material to be purchased is of considerable value, I have thought that possibly a further effort might be made to call the matter to the attention of manufacturers of the engraving machinery and materials in question.

Mr. Thomas informs this office that he knows that the machinery he desires to purchase is manufactured in the United States and he is extremely anxious to get in touch with the manufacturers of it. It is feared that if he does not receive some replies within a reasonable time the order will of necessity go to some other country.

I have the honor to be, Sir,

A true copy of the signed original.
MB

Your obedient servant,

NATHANIEL B. STEWART
American Consul General.

Enclosure:
Trade Opportunity No. 17.
610.1

Supplied by Commercial Intelligence Division. Date: 1-26-28
Form 453
GOVERNMENT PRINTING OFFICE 11—8658

PAID-IN CAPITAL: 1,010,000 Pesetas RELATIVE SIZE: Large

YEARLY TURNOVER (estimated): 1,000,000 pesetas

BANK REFERENCES: See Attached

COM'L REFERENCES: ---

GENERAL REPUTATION LOCALLY: Very good

COMMENTS: This is a large firm of printers, importing on own account, est. 1876

C. NOV 27 1928

aog

Supplied by Commercial Intelligence Division. Date: Jan. 26,1928

Form 453
GOVERNMENT PRINTING OFFICE 11—8658

C.F.R.
NOV 27 1928
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APPROVED 269893

RTUNITY.

Frank Anderson Henry
Consul in Charge.

[To be sent in duplicate. When using this form. consult General Instructions No. 476.]

FROM Frank Anderson Henry, American Consul in Charge.

STATION Barcelona, Spain. DATE January 23, 1928.

29934

1. Name of inquirer Hijos de J. Thomas, S.A.,
2. Address of inquirer 291 Calle Mallorca, Barcelona, Spain.
3. Cable address -----
egraphic codes -----

Sample attached

Nature of inquiry (purchase of goods or agency) Purchase.
6. Quotations (c. i. f. or f. o. b. and what port) CIF. Barcelona, Spain.
7. Payment (currency, credit terms, etc.) To be agreed upon.

8. Packing instructions: Usual export packing.

9. Shipping instructions: Direct steamer.

. Language Spanish and French.

11. Articles desired: quality, quantity, etc All the necessary machines to establish a large workshop for hollow printing of by means of steel plates ~~to~~ for ~~produce~~ Bank Notes, Stocks and Bonds, ~~etc.~~ It is desired to follow the same system used in America~~s~~ to print Bank Notes. For better understanding of what is wanted a sample of the work to be accomplished ~~is~~ attached. For the complete proccess three kinds of machines seem to be indespensable: 1st- A geometrical lathe to engrave the decorative motifs. 2nd- A machine to reproduce on steel plates, as many times as may be necessary, the decorative motifs engraved by the geometrical lathe. 3rd- A high pressure printing press.

desired as follows:

CONFIDENTIAL.

12. Financial references Banco de España and Banco Hispano Americano; both of Barcelona, Spain.

13. Comments Subject desires to know which process is the best, the dry or the damp one. Also if the manufacturer supplying all the machinery is willing to send technicians to teach the workers the process. They would like to receive as soon as possible complete estimates, with detailed prices CIF. Barcelona, photographs,

C.P.R.
NOV 27 1928

photographs, sketches of the machines, perimeter or space which said machines will occupy etc. etc.

Hijos de J. Thomas is one of the leading printing establishments in Spain, and Mr. Jose Thomas the manager will also head the new concern which will establish the new industry in Spain. It seems that there is ample capital back of this plan and that the Government is giving its support. A new plant is going to be constructed to house the new enterprise.

See also World Trade Directory Report dated January 26, 1928.

WASHINGTON

Spain

C.P.R.
NOV 27 1928

May 11, 1928.

This acknowledges photostat copies of information re establishing Bank Note Plant in Spain.

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TRANSFER FILE
23 Plan